

ATTACHMENT E
SAN DIEGO GAS & ELECTRIC COMPANY
ADDITIONAL PROVISIONS

1. The Restated Letter Agreement between San Diego Gas & Electric Company (SDG&E) and the California Department of Water Resources (DWR), dated June 18, 2001, as it may be amended or modified from time to time (the "Restated Letter Agreement"). The Restated Letter Agreement provides for continued DWR procurement for SDG&E customers of SDG&E's "full net short" (consisting of substantially all of the power and ancillary services not provided by SDG&E's retained generation) through December 31, 2002. The reference to the Restated Letter Agreement in this Attachment E provides no independent basis for enforcement of the Restated Letter Agreement.
2. Memorandum of Understanding (MOU) with the California Department of Water Resources (DWR), dated June 18, 2001, San Diego Gas & Electric Company (SDG&E) and its parent Company, Sempra Energy. The MOU contemplates the implementation of a series transactions and regulatory settlements and actions to resolve many of the issues affecting SDG&E and its customers arising out of the California energy crisis. The MOU contemplates, among other matters, the sale of SDG&E's transmission system to DWR or another state agency. The MOU also contemplates that DWR's net-short procurement obligations contained in the Restated Letter Agreement are subject to earlier termination upon the satisfaction of regulatory and other conditions intended to assure SDG&E's timely recovery of costs incurred in resuming power procurement for its customers. The reference to the MOU in this Attachment E provides no independent basis for enforcement of the MOU.
3. Letter Agreement between the California Department of Water Resources (DWR) and San Diego Gas & Electric Company (SDG&E). This Letter Agreement provides for the payment of SDG&E's costs to (i) implement and maintain a billing system to remit customer payments to DWR, (ii) implement the 20/20 program, and (iii) implement load curtailment programs under Assembly Bill (AB) 1X, ~~related~~ Executive Orders, and California Public Utilities Commission (CPUC) orders and decisions.
4. Notwithstanding (i) the terms, execution or operation of the ~~Servicing Agreement~~Servicing Order, (ii) the approval of, any modification to, or any other action taken with respect to or having an effect on the ~~Agreement~~Servicing Order by the Commission or any other Governmental Authority, or (iii) any other action taken by a Governmental Authority, Utility hereby reserves all rights (if any) in any forum to contest, oppose, appeal, comment on, or otherwise seek to revisit, alter, modify or set aside any present or future decisions, orders, opinions, rulings, or actions or omissions to act by the Commission or any other Governmental Authority, whether in draft, interim or final form, arising out of, relating to, or connected with (x) the calculation of DWR Charges or DWR Revenues and the allocation of costs and amounts of electric capacity and output among the customers of electrical corporations, (y) the interpretation and/or legality of Applicable Law or Applicable Commission Orders, or (z) remittance of such calculated amounts by Utility

to DWR or its Assign(s) under Applicable Law or Applicable Commission Orders in a manner inconsistent with this ~~Agreement~~Servicing Order or Utility's ability to perform its utility functions. |

ATTACHMENT F
SAN DIEGO GAS & ELECTRIC COMPANY
CALCULATION METHODOLOGY FOR REDUCED REMITTANCES
PURSUANT TO 20/20 PROGRAM

A. Reimbursement of 20/20 Rebate Costs

1. ~~DWR agrees that~~ Utility shall recover the amount of customer credits under the 20/20 ~~Plan~~Program as follows:

a. ~~Under the Restated Letter Agreement referenced in remittance provision of Attachment E~~ B of this Servicing Order, the Utility shall reduce any remittances to DWR under the Act or the California Public Utilities Commission (CPUC) ~~Decision 01-03-081~~ Resolution E-3770 by the daily amount equal to the total of such customer credits ~~no later than 15 days on the following Business Day~~ after the presentation of credits on customer bills.

b. ~~Under the remittance provision of Attachment B of this Servicing Agreement. Utility shall reduce any remittances to DWR under the Act or the California Public Utilities Commission (CPUC) Decision 01-03-081 by the daily amount equal to the total of such customer credits on the 5 day after the presentation of credits on customer bill.~~

~~_____c.~~ If the amount that Utility is entitled to offset on any day exceeds the funds otherwise due to DWR, the balance will be carried over to the next day. If it appears that the amount Utility is entitled to offset will exceed the funds due to DWR for more than 3 consecutive days, then Utility will invoice DWR with an estimate of the amount due to Utility. DWR will pay such invoice within 1 Business Day of receipt. For purposes of this Attachment F, the credits or payments shall refer to the 20 percent reduction applied to customers' total net electric charges (including applicable rate surcharges), and shall include credits or payments made to resolve Customer disputes or reflect corrected bills following the end of the program.

B. Customer credits under the 20/20 ~~Plan~~Program will be applied to Customer accounts as follows:

Customer credits under the 20/20/ ~~Plan~~Program will be applied to customer accounts at time of billing and allocated to DWR according to the same payment posting priority set forth in Attachment B, Section G. In those instances in which the credit exceeds the outstanding charges, the excess credit will remain on the account and be applied to future charges in the same manner.

C. Reimbursement of 20/20 Program Implementation Costs

DWR ~~will~~agrees to pay to Utility an implementation fee and recurring fees in order to cover Utility's reasonable development and on-going costs for the procedures, systems and mechanisms that are necessary to implement and support the 20/20 Program. Utility shall invoice DWR for payment of the implementation fee and recurring fees with reasonable supporting documentation in accordance with Section 7.2 of the Servicing Agreement Order. Final invoice to be submitted to DWR no later than February 28, 20023.

D. Estimated Costs:

1. The intent is to reimburse the actual, incremental costs incurred by SDG&E. SDG&E will exercise reasonable commercial efforts in managing their operations to minimize costs and keep within the budgeted costs shown in the table below.

2. SDG&E shall invoice DWR after a 20/20 Program implementation activity described below has been completed and will undertake reasonable commercial efforts to track and keep costs within the estimated costs shown in this Attachment F.

3. ~~For the majority of SDG&E's 20/20 Implementation Costs (Items 1-6 in the table below),~~ SDG&E will invoice DWR based on actual costs and provide DWR with an invoice itemizing and documenting such costs.

4. ~~For costs classified as "Increased Customer Bill Inquiries" (Items 7 through 11 in table below) With the exception of Customer Service Representative calls, SDG&E is unable to track, itemize and document Implementation Costs for Customer Bill Inquiries without undertaking extensive system programming and hardware upgrades. Specifically, these types of inquiries include field calls, meter re-reads, re-bills and meter tests. Based on 2001 20/20 Program activity levels, SDG&E does not anticipate any incremental increase in costs for these activities. Accordingly, DWR agrees SDG&E shall utilize the SDG&E Estimated Costs shown in this Attachment F for SDG&E's invoicing purposes without undertaking a true-up to actual costs. Invoicing for Increased Customer has not included cost estimates for these types of Customer Bill Inquiries will be handled in the following manner in the table below. However, DWR agrees that if SDG&E should experience a significant increase~~

~~a. SDG&E shall invoice DWR each month based on the Increased Customer Bill Inquiries cost estimates prorated by month, shown below.~~

~~b. If SDG&E experiences a significantly higher or lower difference in activity levels for the types of customer bill inquiries described above, SDG&E will notify DWR and provide to DWR documentation reasonably necessary to establish such activity levels. SDG&E and DWR shall negotiate a mutually~~

acceptable adjustment based on an estimate of reasonable costs for ~~Increased~~the applicable increased Customer Bill Inquiries.

Estimated DWR / 20/20 Rebate Program Budgeted Costs		
2002		
Expense Items	Quantity or Unit Costs	
1 Systems Programming	One Time Fee	\$16,100 - \$18,500
Customer Communications (FAQ Sheets, Bill Inserts, Mailing		
2 Costs & Other Communications)	One Time Fee	\$484,750 - \$686,300
3 Additional Postage for Bill Insert	One Time Fee	\$280,000 - \$300,000
Customer Service		
4 Representative Calls & Training	Ongoing	\$35,600 - \$47,750
5 Advertising Campaign	Ongoing	See Footnote below
6 Total Estimated Admin. Costs		\$816,450 - \$1,052,550 (does not include advertising costs)

Footnote: SDG&E will receive a percentage of the presently estimated \$3 million cost to implement a statewide advertising campaign which is contemplated by the CPUC and the Governor. This cost will be proportionately allocated among the three utilities.

DE. 20/20 Program Reporting

1. **Daily** – To the extent reasonably possible, each Business Day SDG&E shall provide DWR with a report showing the aggregated dollar amount and number of 20/20 Program credits applied to Customer accounts.

2. **Monthly** – To the extent reasonably possible, SDG&E shall provide DWR with monthly reports showing the monthly total number of customer accounts by rate schedule and the corresponding 20/20 Program credit amount and energy use statistics as identified in the sample monthly report below. Monthly reports will be completed within 10 ~~b~~Business ~~d~~Days after the first of each month.

3. **Program Summary** – To the extent that SDG&E completes any additional analysis of the results of the 20/20 ~~p~~Program, SDG&E will provide to DWR such analysis. Any additional findings, including "lessons learned" and recommendations for future similar programs, will also be provided to DWR.

Sample Daily Report – 20/20 Program

XXXXXXX	SAN DIEGO GAS & ELECTRIC	
XX/XX/XXXX		
PGM ID: XXXXXX	Run Date:	
DWR 20/20 CREDIT REPORT	FOR THE DAY	
Time: XXXX	ENDING	
TOTAL 20/20	\$ XXX.XX	CUSTOMERS:
CREDITS		
PAID:		
AMOUNT		

Report Id: XXXXXXXX ——— SAN DIEGO GAS & ELECTRIC ———
 ——— Process Date: XX/XX/XXXX ——— Page: X
 PGM ID: XXXXXXXX ——— DWR 20/20 CREDIT REPORT ——— Run Date:
 ——— XX/XX/XXXX ——— Time: XX:XX
 ——— FOR THE DAY ENDING XX/XX/XXXX
 TOTAL 20/20 CREDITS PAID: ——— CUSTOMERS: XX
 ——— AMOUNT \$ XXX.XX

Sample Monthly Report – 20/20:

Sample Monthly Report – 20/20 Program

[“Summary Results of 20/20 Conservation Program: August 2002” table that was approved in D.02-07-038 to be inserted here.]

3. ——— In certain circumstances SDG&E is unable to track, itemize and document Billing ——— Services Implementation Costs without undertaking extensive system ——— programming and hardware upgrades. Accordingly, DWR agrees that in these ——— circumstances SDG&E shall utilize the SDG&E Estimated Billing Service ——— Implementation Costs shown in this Attachment G for SDG&E’s invoicing ———

~~ATTACHMENT G~~
~~SAN DIEGO GAS & ELECTRIC COMPANY~~
~~FEE SCHEDULE~~

~~A. DWR Billing Agent Cost Estimates:~~

~~The following chart provides an estimate of SDG&E's implementation and administrative costs ("Billing Service Implementation Costs") associated with providing Billing Services to DWR pursuant to the Agreement.~~

~~1. SDG&E shall invoice DWR in accordance with Section 7.2 of the Servicing Agreement after a Billing Service activity has been completed and will exercise commercially reasonable efforts to track and keep costs within the estimated Billing Service Implementation Costs shown in this Attachment G.~~

~~For the majority of SDG&E's Billing Service Implementation Costs, SDG&E will invoice DWR based on actual costs and provide DWR with an invoice itemizing and documenting such costs.~~

~~3. In certain circumstances SDG&E is unable to track, itemize and document Billing Services Implementation Costs without undertaking extensive system programming and hardware upgrades. Accordingly, DWR agrees that in these circumstances SDG&E shall utilize the SDG&E Estimated Billing Service Implementation Costs shown in this Attachment G for SDG&E's invoicing purposes without undertaking a true up to actual costs. However, DWR reserves the right to dispute all or any portion of such invoice in which event Section 7.1 shall govern the resolution of any such dispute. Provided, however, DWR and SDG&E shall undertake in good faith efforts to resolve any dispute prior to resorting to such dispute resolution process~~

~~B. Billing Service Implementation Costs~~

~~Additional Charges reflect SDG&E's estimated costs for Billing Services, which the Parties agree may be used when SDG&E would incur increased costs as a result of performing DWR Billing Services pursuant to the Agreement. The items listed are intended to facilitate contract management and are not intended to reflect an exhaustive and inclusive list of Additional Charges that may arise.~~

Description	Set-Up Cost Estimate	Recurring Costs	Additional Charges	Comments
Energy Data Management	\$32,000	\$8,000		
DWR Remittance & Reporting		20,000		
Customer Billing/Payment Processing	300,000	93,000		
Training	12,000			
Fact Sheet	11,000	11,000		
Bill Insert	5,500			Shared cost due to multiple communication—DWR @ 20%
Brochure Revision	2,500			Shared cost due to multiple communication—DWR @ 20%
Website Changes	3,500			
Direct Mail			\$500,000	Each mailing to all customers
DWR Revenue Req. Nte	500,000			May/June direct mailing to Large & Small customers
Bill Insert			26,500	One bill insert to all customers
Customer Contacts			6.25	Per contact
Rebilling—Load Profile			3.50	Per month, per meter
Rebilling—IDR metering			49.00	Per month, per meter
Increased Postage			.21	Per piece mailed
Actual Invoice Cost of Annual Report (Section 8.4)			TBD	Cost dependent on audit requirements
Total	\$866,500	\$132,000		
Monthly Recurring		\$11,000		

ATTACHMENT G
SAN DIEGO GAS & ELECTRIC COMPANY
FEE SCHEDULE

A. DWR Billing Agent Cost Estimates:

The following chart provides an estimate of SDG&E's implementation and administrative costs ("Billing Service Implementation Costs") associated with providing Billing Services to DWR pursuant to the Servicing Order.

1. SDG&E shall invoice DWR in accordance with Section 7.2 of the Servicing Order after a Billing Service activity has been completed and will exercise commercially reasonable efforts to track and keep costs within the estimated Billing Service Implementation Costs shown in this Attachment G.
2. For the majority of SDG&E's Billing Service Implementation Costs, SDG&E will invoice DWR based on actual costs and provide DWR with an invoice itemizing and documenting such costs.
3. In certain circumstances SDG&E is unable to track, itemize and document Billing Services Implementation Costs without undertaking extensive system programming and hardware upgrades. Accordingly, DWR agrees that in these circumstances SDG&E shall utilize the SDG&E Estimated Billing Service Implementation Costs shown in this Attachment G for SDG&E's invoicing purposes without undertaking a true-up to actual costs. However, DWR reserves the right to dispute all or any portion of such invoice in which event Section 7.1 shall govern the resolution of any such dispute. Provided, however, DWR and SDG&E shall undertake in good faith efforts to resolve any dispute prior to resorting to such dispute resolution process

B. Billing Service Implementation Costs

Additional Charges reflect SDG&E's estimated costs for Billing Services, which the Parties agree may be used when SDG&E would incur increased costs as a result of performing DWR Billing Services pursuant to the Servicing Order. The items listed are intended to facilitate contract management and are not intended to reflect an exhaustive and inclusive list of Additional Charges that may arise.

Description	Set-Up Cost Estimate	Recurring Costs ¹	Additional Charges	Comments
Energy Data Management	\$32,000	\$8,000		
DWR Remittance & Reporting		20,000		
Customer Billing/Payment Processing	300,000	93,000		
Training	12,000			
Fact Sheet	11,000	11,000		
Bill Insert	5,500			Shared cost due to multiple communication – DWR @ 20%
Brochure Revision	2,500			Shared cost due to multiple communication – DWR @ 20%
Website Changes	3,500			
Direct Mail			\$500,000	Each mailing to all customers
DWR Revenue Req. Ntc	500,000			May/June direct mailing to Large & Small customers
Bill Insert			26,500	One bill insert to all customers
Customer Contacts			6.25	Per contact
Rebilling – Load Profile			3.50	Per month, per meter
Rebilling – IDR metering			49.00	Per month, per meter
Increased Postage			.21	Per piece mailed
Actual Invoice Cost of Annual Report (Section 8.4)			TBD	Cost dependent on audit requirements
Total	\$866,500	\$132,000		
Monthly Recurring		\$11,000		

¹ The recurring costs are annual estimated costs that if incurred will be distributed monthly.

C. DWR Bond Charge Implementation Cost Estimates:

The following chart provides an estimate for SDG&E's implementation costs associated with the November 15, 2002 implementation of the DWR Bond Charge. SDG&E will provide DWR with additional estimates in the future for the implementation costs associated with the second phase of DWR Bond Charge implementation for issues such as Direct Access and Departed Load Customers.

Reimbursement of DWR Bond Charge Costs:

1. DWR will pay SDG&E an implementation fee and recurring fees in order to cover SDG&E's reasonable development and on-going costs for the procedures, systems and mechanisms that are necessary to implement the DWR Bond Charge on November 15, 2002. SDG&E shall invoice DWR for payment of the implementation fee and recurring fees with reasonable supporting documentation in accordance with Section 7.2 of the Servicing Order.
2. The intent is to reimburse the actual, incremental costs incurred by SDG&E. SDG&E will exercise reasonable commercial efforts in managing their operations to minimize costs and keep within the budgeted costs shown in the table below.
3. SDG&E shall invoice DWR after a DWR Bond Charge implementation activity described below has been completed and will undertake reasonable commercial efforts to track and keep costs within the estimated costs shown in Section C of this Attachment G.
4. SDG&E will invoice DWR based on actual costs and provide DWR with an invoice itemizing and documenting such costs.
5. SDG&E is unable to track, itemize and document costs for Customer Bill Inquiries related to the DWR Bond Charge without undertaking extensive system programming and hardware upgrades. At this time, SDG&E does not anticipate any incremental increase in costs for these activities. Accordingly, SDG&E has not included cost estimates for Customer Bill Inquiries in the table below. However, DWR agrees that if SDG&E should experience a significant increase in customer bill inquiries associated with the DWR Bond Charge, SDG&E will notify DWR and provide to DWR documentation reasonably necessary to establish such activity levels. SDG&E and DWR shall negotiate a mutually acceptable adjustment based on an estimate of reasonable costs for the applicable increased Customer Bill Inquiries.

DWR Bond Charge Implementation Costs:

Item Number	Expense Items	Quantity or Unit Costs	2002
1	Systems Programming	One Time Fee	\$110,000
2	Additional Postage for Bill Messages	One-Time	\$20,000
4	Customer Service Representative Training	One-Time	\$10,000
	Total Estimated Admin Costs		\$140,000

ATTACHMENT H
SAN DIEGO GAS & ELECTRIC COMPANY
ADJUSTMENTS TO DWR CHARGES FOR VARIANCES IN DWR POWER
DELIVERED

This Attachment H consists of two parts: Part I provides the detailed process of the More Precise Remittance Methodology applicable for DWR Power Charges before the Operating Order Effective Date and Part II provides the detailed process of the Post-Transition Remittance Methodology applicable for DWR Power Charges on and after the Operating Order Effective Date.

Part I. More Precise Remittance Methodology

The methodology in this Part I shall be applied for remittance of DWR Power Charges before the effective date of the Operating Order.

A. SDG&E Remittance Percentage Calculation and True-up

In accordance with SDG&E's Schedule EECC, as it may be modified or superceded by the CPUC from time to time, SDG&E calculates each hour the percentage of Customers electricity use that is supplied by DWR (the "Hourly Percentage Factor"). This percentage is calculated using Final Hour-Ahead Schedules that reflect estimated Customer electricity use. "Estimated Customer Use" shall be defined as the forecasted Customer usage used to establish the Final Hour-Ahead Schedule adjusted using other data that may become available within one day of the Trade Day, as appropriate, to more accurately reflect actual Customer usage. As final settlement statements reflecting actual meter data and electricity deliveries are received from the ISO, SDG&E will calculate the actual Hourly Percentage Factors. For each hour, the estimated Hourly Percentage Factor will be subtracted from the actual Hourly Percentage Factor to determine the Hourly Percentage Factor difference. At the end of each month, a weighted average Hourly Percentage Factor difference will be calculated using all trade dates for which SDG&E has received from the ISO final settlement statements during such month. This weighted average difference will then be adjusted, if necessary, by commodity revenue dollars for the different periods to obtain an adjustment percentage that will be applied as an hourly adjustment in the next month's calculations of Hourly Percentage Factors.

B. Detailed Process

1. Hourly Percentage Factor Calculation:

This calculation is performed on T+1 (the day after the energy is used).

For each day **T** (trade date) SDG&E will retrieve from ISO published CERS hour-ahead final schedule the amount of DWR energy that is scheduled from SDG&E.

For each day **T** SDG&E will develop estimates of Customer usage and imbalance energy for each hour.

These two components, along with output from the True-up Process, will be used to calculate the Hourly Percentage Factor. SDG&E will calculate the Hourly Percentage Factor for each hour of a trade day **T** by: (i) dividing the CERS' Final Hour Ahead Schedule plus estimated imbalance energy schedule for such hour by the SDG&E Estimated Customer Usage for such hour; and (ii) adding the true-up adjustment percentage applicable for the current month, calculated in accordance with Section B.2, below.

2. True-up Process:

The ISO publishes final settlement statements on **T + 51** business days. The actual meter data on the final settlement statements will be used to calculate the actual Hourly Percentage Factor. The CERS Hour Ahead Final Schedule quantity will be divided by the actual meter data to obtain the actual Hourly Percentage Factor, except that during the term of the Restated Letter Agreement the sum of the CERS Hour Ahead Final Schedule quantity and the Imbalance Energy for each corresponding hour will be divided by the actual meter data to obtain the actual Hourly Percentage Factor.

For each hour the estimated Hourly Percentage Factor will be subtracted from the actual Hourly Percentage Factor to determine the Hourly Percentage Factor difference.

At the end of each month, a weighted average Hourly Percentage Factor difference will be calculated using all trade dates for which final settlement statements were received during that current month. The weight for the average will be the total Customer load, based on actual meter data for each hour. For all trade dates, for which final settlement statements were received during the current month, the actual meter data will be obtained. For each hour, the Hourly Percentage Factor difference will be multiplied by the actual meter data for that hour and then divided by the sum of actual meter data for all hours in the month. All the individual hour weighted results for that month will then be summed to obtain the weighted average Hourly Percentage Factor difference.

The Hourly Percentage Factor will then be adjusted by the commodity revenue dollars for the two time periods: (i) trade dates for which final settlement statements were received, and (ii) next calendar month). Average commodity revenue dollars represent the combined billed electric commodity revenues for both SDG&E and DWR (in dollars). The weighted average Hourly Percentage Factor difference will be

multiplied by commodity revenue dollars for the trade dates for which final settlement statements were received divided by next forecasted average commodity revenue dollars for the next calendar month.

This adjusted percentage will then be applied as the true-up adjustment percentage in the next month's Hourly Percentage Factor calculations. The true-up adjustment percentage will be added to the calculation of the Hourly Percentage Factor in accordance with Section B.1, above.

Part II. Post-Transition Remittance Methodology

The methodology in this Part II shall be applied for remittance of DWR Power Charges on and after the effective date of the Operating Order.

A. SDG&E Remittance Percentage Calculation and True-up

In accordance with SDG&E's Schedule EECC, as it may be modified or superceded by the CPUC from time to time, SDG&E calculates each hour the percentage of Customers electricity use that is supplied by DWR (the "Hourly Percentage Factor"). This percentage is calculated using Final Hour-Ahead Schedules and other information reasonably available to SDG&E within one day of the Trade Day that reflect estimated dispatched quantities of SDG&E integrated portfolio resources including the Allocated Contracts as well as estimated Customer electricity use. "Estimated Customer Use" shall be defined as the forecasted Customer usage used to establish the Final Hour-Ahead Schedule adjusted using other data that may become available within one day of the Trade Day, as appropriate, to more accurately reflect actual Customer usage. As final settlement statements reflecting actual meter data and electricity deliveries are received from the ISO, SDG&E will calculate the actual Hourly Percentage Factor. For each hour, the estimated Hourly Percentage Factor will be subtracted from the actual Hourly Percentage Factor to determine the Hourly Percentage Factor difference. At the end of each month, a weighted average Hourly Percentage Factor difference will be calculated using all trade dates for which SDG&E has received from the ISO final settlement statements during such month. This weighted average difference will then be adjusted, if necessary, by commodity revenue dollars for the different periods to obtain an adjustment percentage that will be applied as an hourly adjustment in the next month's calculations of Hourly Percentage Factor.

B. Detailed Process

1. Hourly Percentage Factor Calculation:

This calculation is performed on T+1 (the day after the energy is used).

For each day T (trade date) SDG&E will retrieve from ISO published hour-ahead final schedules of SDG&E integrated portfolio resources including the Allocated Contracts.

For each day T, SDG&E will develop estimates of Customer usage.

These two components, along with output from the True-up Process, will be used to calculate the Hourly Percentage Factor. SDG&E will calculate the Hourly Percentage Factor for each hour of a trade day T in accordance with the principles provided in Exhibit C of the Operating Order; and (ii) adding the true-up adjustment percentage applicable for the current month, calculated in accordance with Section B.2. below.

2. True-up Process

The ISO publishes final settlement statements on T + 51 business days. The actual meter data on the final settlement statements will be used to calculate the actual Hourly Percentage Factor in accordance with the principles provided in Exhibit C of the Operating Order.

For each hour the estimated Hourly Percentage Factor will be subtracted from the actual Hourly Percentage Factor to determine the Hourly Percentage Factor difference.

At the end of each month, a weighted average Hourly Percentage Factor difference will be calculated using all trade dates for which final settlement statements were received during that current month. The weight for the average will be the total retail Customer load, based on actual meter data for each hour. For all trade dates, for which final settlement statements were received during the current month, the actual meter data will be obtained. For each hour, the Hourly Percentage Factor difference will be multiplied by the actual meter data for that hour and then divided by the sum of actual meter data for all hours in the month. All the individual hour weighted results for that month will then be summed to obtain the weighted average Hourly Percentage Factor difference.

The Hourly Percentage Factor will then be adjusted by the commodity revenue dollars for the two time periods: (i) trade dates for which final settlement statements were received, and (ii) next calendar month. Average commodity revenue dollars represent the combined billed electric commodity revenues for both SDG&E and DWR (in dollars). The weighted average Hourly Percentage Factor difference will be multiplied by commodity revenue dollars for the trade dates for which final settlement statements were received divided by next forecasted average commodity revenue dollars for the next calendar month.

This adjusted percentage will then be applied as the true-up adjustment percentage in the next month's Hourly Percentage Factor calculations. The true-up

adjustment percentage will be added to the calculation of the Hourly Percentage Factor in accordance with Section B.1, above.